

EXHIBIT J

**TLC NOTES TO SOURCES OF INCOME
FROM UNIDENTIFIED GRANT REQUEST**

SOURCES OF INCOME

Contributions	Monthly Average
Individual, Churches, & Other (Note 1)*	\$ 8,000
Tithes and offerings (Note 2)*	1,000
Monthly Pledges (Note 3)*	2,700
Grants	
Children's Trust Fund (Note 4)*	2,500
Client Fees	
Work Release Program (Note 5)*	36,372
Program Fee Residents (Note 6)	43,300
Federal Bureau of Prisons (Note 7)*	15,600
Community Corrections Program (Note 8)*	9,000
Intake Assessment (Note 9)*	5,000
Drug Testing (Note 10)*	2,500
HIV Testing (Note 11)*	0
Psycho-Social Assessment (Note 12)*	1,625
Intensive In-Patient Drug Rehabilitation (Note 13)*	10,000
Out-Patient Drug Rehabilitation (Note 14)*	8,000
Education Department (Note 15)*	5,000
Food Stamps (Note 16)*	30,600
Transportation (Note 17)*	18,944
Kids Zone	
Subsidized (Note 18)*	17,320
Private (Note 19)*	4,330
Lovelady Jobs Department (Note 20)*	12,124
Retail	
Flea Market (Note 21)*	3,000
In-house Store (Note 22)*	1,500
Lovelady Diner (Note 23)*	2,000
Arts & Crafts Dept. (Note 24)*	0
Vending	
Laundry (Note 25)*	1,980
Pay Telephone (Note 26)*	200
Drink and Snack Machines (Note 27)*	1,000
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	\$ 243,595.00

*See pages following for detailed back-up information in each income category.

NOTES to Sources of Income

- Note 1** – Lovelady receives gifts from individual supporters, churches, and groups such as civic clubs. The monthly average is approximately \$1200.
- Note 2** – The residents of Lovelady give their own tithes and offerings (from their limited resources). The monthly average is approximately \$1000.
- Note 3** – Churches and other groups make long term monthly pledges to Lovelady. Current examples are the monthly commitments of Hillside Baptist (\$500), Centercrest Baptist (\$400), South Highland Presbyterian (\$500), Oak Mountain Presbyterian (\$500), Living Word Church (\$400), World Outreach Church (\$400).
- Note 4** – Several grants have been approved. Currently the Children's Trust Fund has a monthly commitment over the near term to provide \$2500 per month.
- Note 5** – The women sent from the Alabama Department of Corrections remit 40% of their paychecks to Lovelady for reimbursement of such costs as food, clothing, utilities, and childcare services. Under this program, each Lovelady generates approximately \$485 per month for the Center. The number of women in the Work Release Program are expected to dramatically increase over the next several months as the Department of Corrections has committed to increase the stream of women sent to Lovelady.
Calculation: Assume 75 women @ \$8/hour for average 35 hours worked/week of with 4.33 avg. weeks/month x 40% to Lovelady=\$36,372/month.
- Note 6** – There are a number of women at Lovelady paying a flat fee of \$100 per week to reimburse the Center for expenses as noted in Note 5 above.
Calculation: Assume 100 women @ \$100/week with 4.33 avg. weeks/month = \$ 43,300/month.
- Note 7** – Lovelady receives \$52/day for 90 days from the Federal Bureau of Prisons (BOP) for the women it sends to Lovelady. The Center averages 10 such residents on a rotating basis.
Calculation: 10 Fed. women x \$52/day x 30 days = \$15,600/month.
- Note 8** – Under the Community Corrections Program, Lovelady receives \$15/day from various counties throughout Alabama for those women sent by Circuit Court Judges under an Alternative Sentencing arrangement. The offenses/crimes of these women are not serious enough to warrant going to Tutwiler. It is anticipated that the number of Alternative Sentence residents at Lovelady will dramatically increase during the coming year.
Calculation: Assume 20 CCP residents x \$15/day x 30 days/month = \$9,000.
- Note 9** – Each new resident pays a \$200 admitting fee as an Intake Assessment upon Entering Lovelady. Assume 25 new Lovelady residents each month.
Calculation: \$200 x 25 residents = \$5,000/month.

Note 10 – When a Lovelady receives a “Pass” to leave the Center for a few days, then upon their return, the resident is tested for illegal substances at a cost of \$10/test. A conservative estimate of the number of Passes issued per month is 250.

Calculation: $250 \text{ Passes} \times \$10/\text{cost per test payable to Lovelady} = \$2,500.$

Note 11 – Lovelady has formally sought the approval of the Jefferson County Department of Health to do HIV testing for Loveladies as well as for local residents in the nearby neighborhood. Lovelady is very encouraged that approval for the testing is pending. Each test is expected to produce \$35. Until the approval is granted, no income in the Monthly Budget is shown.

Note 12 – Each new Lovelady resident is tested at \$60/person as a requirement of the State of Alabama Department of Mental Health prior to a person entering a Drug Rehabilitation Program.

Calculation: $\text{Assume } 25 \text{ new residents/month} \times \$60/\text{test} = \$1,625/\text{month}.$

Note 13 – Lovelady has had 60 beds approved by the State of Alabama Department of Mental Health for in-patient drug rehab. The money received from the State is \$600/bed for the 90 day treatment. After 45 days, the women can work.

Calculation: $\$600/\text{bed for 90 days of treatment (i.e., avg. } \$200 \text{ of income/month). } 50 \text{ avg. residents} \times \$200/\text{month} = \$10,000.$

Note 14 – Income to Lovelady for providing out-patient drug rehab services is \$300 for 45 days of treatment. Thus, the prorated “monthly” income to Lovelady is \$200.

Calculation: $\text{Assume } 40 \text{ people per month @ } \$200/\text{treatment} = \$8,000/\text{month}.$

Note 15 – Lovelady is in the final stages of anticipated approval by the Alabama Department of Post-Secondary Education to conduct vocational training classes at the Center. The average tuition per student is \$2,000 which yields net income to Lovelady of approximately \$1,000 (after instructors have been paid). A conservative estimate is an average of 10 students/month with a course lasting an average of 8 weeks. It is expected that Lovelady will be able to grow the number of students taking vocational courses at the Center.

Calculation: $10 \text{ students} \times \$1,000 \text{ net income/student for 2 months} = \$10,000;$
Thus, the monthly total should average \$5,000.

Note 16 – Food Stamp income is \$153/person/month paid by the Jefferson County Department of Human Resources. If the Lovelady has children, this amount increases. Virtually all Loveladies qualify for food stamps except those with active drug charges and in these cases, the children of the women qualify nonetheless.

Calculation: $200 \text{ women @ } \$153/\text{month} = \$30,600.$

Note 17 – The fee paid by Loveladies to offset transportation costs is \$25/week. This applies to those residents paying the \$100/week Program Fee only as well as those in the Work Release Program.

Calculation: 100 Program Fee residents + 75 Work Release residents x \$25/week x 4.33 avg. weeks/month = \$18,944.

Note 18 – The State of Alabama pays \$100/week for childcare services provided by approved entities for youngsters age 5 and under. Children over 5 years of age generate income of \$60/week. The Alabama Department of Human Resources must approve the mothers of the children in order for payment to be remitted to Lovelady. Eligible children for participation in this program are both those of the Lovelady residents as well as those in the nearby neighborhood. It is expected that Lovelady will be able to greatly increase the size of its Day Care operation by recruiting families/children in the nearby neighborhood.

Calculation: 40 children @ \$100/week x 4.33 weeks/month = \$17,320/month.

Note 19 – Some area residents who do not qualify for State-subsidized day care services (they exceed minimum income limits), pay Lovelady \$100/week for childcare.

Calculation: 10 children avg. x \$100/week x 4.33 weeks/month = \$4,330/month.

Note 20 – Lovelady receives an override from employers of an average \$2/hour worked for the women in the Work Release Program.

Calculation: Assume 40 avg. women @ 35 hours/week x 4.33 avg. weeks/month x \$2/hour override = \$12,124/month.

Note 21 – Lovelady has a structured parking deck attached to the rear of the main building. This structure has been converted into a covered retail space to sell donated goods in a Flea Market setting two days/week. Average monthly income received has been \$3,000.

Note 22 – There is a small in-house retail area just off of and adjacent to the lobby area of Lovelady. The primary customers of this store are the 240+ women and children of Lovelady along with their guests and other visitors. Average monthly income generated is \$1,500.

Note 23 – Residents are able to purchase food prepared in the Lovelady kitchen but not on the stated menu for the day. Income from this service averages 2,000/month.

Note 24 – Lovelady has an in-house Art Studio. One of the goals for the future is to have the residents create wares which are suitable for sale through gift shops, the Lovelady Flea Market, and other retail outlets. For budget purposes, no income is shown at this time.

Note 25 – Lovelady is in a joint venture with a washer/dryer equipment company which furnishes new machines for the residents' use. Average vending income per month is \$1,980.

Note 26 – There are 4 pay telephones located throughout the Lovelady facility for use by the residents. Average monthly income is \$200.

Note 27 – There are approximately 8 drink and snack machines located throughout the Lovelady building for use by the residents. Average monthly income is \$1,000.